

Good internal control and sound accounting practices require procedures to ensure that Village checks contain the statutorily required endorsements.

Without such procedures, there is an increased risk of not only failure to comply with State statute but also the loss and/or misuse of Village funds.

We recommend the Board implement procedures to require dual signatures, from the Board Chairperson and the Village Clerk, on all Village checks, as required by law.

Village Response: This is easily resolved and going forward, we will work with the Board Chair on obtaining his signature on all checks.

2. Payment of Claims Prior to Board Approval

During our comparison of the Village’s bank account details to claims approved by the Board, the APA noted that multiple Village checks, totaling \$10,720.37, were issued before the underlying claims were approved by the Board.

The table below provides a summary of those premature payments:

Claim Date	Name	Amount	Payment Type	Cleared Date	Days Paid Before Approval
10/30/2017	Poinst West	\$ 987.98	ACH	10/13/2017	17
10/30/2017	Points West	\$ 4.96	6039	10/23/2017	7
10/30/2017	One Call Concept	\$ 12.51	6040	10/25/2017	5
10/30/2017	Marick's Waste	\$ 1,900.00	6041	10/24/2017	6
10/30/2017	Dalton Telephone	\$ 118.13	6042	10/24/2017	6
10/30/2017	Wheat Belt	\$ 2,249.86	6043	10/20/2017	10
10/30/2017	Viaero	\$ 29.14	6044	10/23/2017	7
10/30/2017	Leyton Public School	\$ 300.00	6047	10/20/2017	10
10/30/2017	Wal Mart	\$ 36.30	ACH	10/23/2017	7
10/30/2017	Mark Lind salaries	\$ 1,475.01	6037	10/6/2017	24
10/30/2017	Mark Lind salaries	\$ 2,163.77	6045	10/18/2017	12
10/30/2017	Mark Lind salaries	\$ 1,442.71	6046	10/18/2017	12
Total		\$ 10,720.37			

Neb. Rev. Stat. § 17-614(1) (Cum. Supp. 2018) sets out the proper method for the appropriation or payment of money by the Village, as follows:

All ordinances and resolutions or orders for the appropriation or payment of money shall require for their passage or adoption the concurrence of a majority of all members elected to the city council in a city of the second class or village board of trustees

(Emphasis added.) Good internal control requires procedures to ensure that all claims are approved by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved.

Without such procedures, there is an increased risk for the loss or misuse of Village funds.

We recommend the Board implement procedures to ensure all claims are approved by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved.

Village Response: We've shared the draft with the Board Chair and Vice Chair. We will look at the possibility of changing the monthly meeting date or holding a mid-month meeting ONLY to approve expenditures.

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The preliminary planning work that resulted in this letter was designed primarily on a test basis and, therefore, may not bring to light all existing weaknesses in the Village's policies or procedures. Nevertheless, our objective is to use the knowledge gained during the performance of that preliminary planning work to make comments and suggestions that we hope will prove useful to the Village.

Draft copies of this letter were furnished to the Village to provide its management with an opportunity to review and to respond to the comments and recommendations contained herein. Any formal responses received have been incorporated into this letter. Such responses have been objectively evaluated and recognized, as appropriate, in the letter. Any response indicating that corrective action has been taken was not verified at this time.

This communication is intended solely for the information and use of the Village and its management. It is not intended to be, and should not be, used by anyone other than those specified parties. However, this letter is a matter of public record, and its distribution is not limited.

If you have any questions regarding the above information, please contact our office.

Sincerely,



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Special Audits and Finance Manager
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cc: Leigh Niekum, Village Clerk & Treasurer